
**CHEVY CHASE VILLAGE
BOARD OF MANAGERS
JUNE 10, 2013 MEETING**

STAFF REPORT

TO: BOARD OF MANAGERS

FROM: SHANA R. DAVIS-COOK, VILLAGE MANAGER 

DATE: 6/5/2013

SUBJECT: BUDGET TRANSFER REQUEST: TRANSFER \$65,000 IN THE FY2013 BUDGET FROM THE "LEGAL: GENERAL COUNSEL" CATEGORY TO THE "POLICE, OPERATIONS" CATEGORY DUE TO: A PROJECTED DEFICIT OF \$50,000 RESULTING FROM INCREASED *SAFESPEED* PROGRAM VENDOR COLLECTIONS PROCESSING FEES, AND A PROJECTED DEFICIT IN THE AMOUNT OF \$15,000 RESULTING FROM INCREASED VEHICLE MAINTENANCE AND REPAIRS EXPENSES

Please see the attached explanatory memo from Finance Director Mr. Demetri Protos regarding the increased expenses incurred during the current fiscal year related to contracted collections processing fees for our *SafeSpeed* Program and higher than anticipated vehicle maintenance and repairs expenses. The former expense is offset by the increased revenues received from these collection efforts. These unanticipated expenses have necessitated the allocation of additional funding to the police operations category of the budget for FY2013.

Thus far, we are running below budget in the "Legal: General Counsel" line item (currently running 70% below budget). If the transfer is authorized, over \$40,000 will remain in the "Legal: General Counsel" category of the budget for legal expenses invoiced for the remaining months of the fiscal year (May and June).


Finance Director Demetri Protos and Police Chief John Fitzgerald have reviewed this matter with Board Treasurer Gary Crockett who has provided his support of the proposed transfer.

Board Action Requested, Draft Motion¹

I move to authorize transferring \$65,000 from the "Legal: General Counsel" category to the "Police, Operations" category in the FY2013 budget due to a projected deficit in the amount of \$50,000 resulting from increased expenses in contracted vendor's fees for *SafeSpeed* Program collections, and due to a projected deficit in the amount of \$15,000 resulting from increased vehicle maintenance and repairs expenses.

¹ This action will require an affirmative vote of at least five members (state law requires an affirmative 2/3 vote of the governing body to transfer funds between major budget categories).

Memo

To: Shana R. Davis-Cook, Village Manager
From: Demetri Protos, Finance Director 
CC: John Fitzgerald, Chief of Police
Date: 6/5/2013
Re: Supplemental Budget Transfer

We are requesting two supplemental budget transfers in order to cover the cost of two items in the Police Department's operating budget: 1) our contractor's debt collection efforts for unpaid *SafeSpeed* citations, and 2) this year's unusually high cost of police vehicle repairs. Savings realized in other portions of the FY13 budget will be sufficient to cover these expenses without the need to transfer funds from reserves.

The **first** requested transfer will be **from Legal: General Counsel to Police Operations for \$50,000 to cover the cost of the delinquent collection fees**. When speed camera citations are paid *after* they are submitted to collections, the Village keeps 70% of the amount collected, and we remit 30% of the collected amount to our collections agent/contractor. On the positive side, our collection revenues have far surpassed our expectations, but that also means that the cost of those collections (the 30% portion) has also surpassed our projections. We had budgeted sufficient funds to pay for a total of \$50,000 in gross collections; we will receive more than \$200,000 in collection revenue this fiscal year.

The **second** requested transfer will be **from Legal: General Counsel to Police Operations for \$15,000 to cover the cost of vehicle repairs to the police cruisers**. With the fleet of cruisers remaining in service longer than in the past and becoming older, they are suffering from more wear and tear and have needed significantly more maintenance and repairs. In addition, this has been an unusual year in terms of unanticipated major repairs for individual cruisers, and the total cost was unforeseeable.